

## **BP 3101**

### **Reserve**

The Board shall establish and maintain a special fund for a reserve for economic uncertainty of 3 percent of the District's general fund expenditures as required by state law.

The Board shall annually commit an additional reserve for economic uncertainty of 1 percent of the District's combined general fund expenditures separate and above the State required reserve of 3 percent and the fund containing any parcel tax share of the 3 percent reserve for economic uncertainty. The additional 1 percent reserve for economic uncertainty, which shall be referred to as the "committed reserve," shall be committed within the unrestricted general fund.

In any year in which the (i) the committed reserve is less than 1 percent of the District's combined general fund expenditures, (ii) the adopted budget received a positive certification, and (iii) the unaudited actuals show that there are unassigned funds (excluding funds in the 3% reserve for economic uncertainty and any funds in the committed reserve) above 2% of combined general fund expenditures, then the Board shall increase the committed reserve by one-half of any increase in Fund 01 (General Fund) from the estimated actuals to the unaudited actuals or less but only if a smaller amount is needed to raise the committed reserve to 1 percent of the District's combined general fund expenditures.

The Board may uncommit the funds in the committed reserve only if any of the following conditions are met:

- It is projected that the District's 3-year multiyear budget will be deemed to be qualified or negative by the County Office of Education
- It is projected that the District's combined state and federal revenue is reduced in the middle of a fiscal year
- [make sure there is a budget reduction process prior if we pull]